



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 9, 2011

Edwin P. Lister
33 West 100 South
Delta, Utah 84624

Subject: Reclamation Contract and Surety Escalation, Edwin Lister, Bullseye #1 Mine, S/023/0031, Juab County, Utah

Dear Mr. Lister:

This letter addresses two items associated with the Bullseye #1 mine that need to be corrected or updated: the reclamation surety amount and the reclamation contract.

Reclamation Surety Amount

The reclamation surety for the Bullseye #1 mine needs to be updated to reflect current costs. Based on one acre of disturbance, the reclamation surety needs to be increased to \$7900 for a three-year escalation (next evaluated in 2014) or \$8200 for a five-year escalation (next evaluated in 2016). In 2009, the surety amount was increased from \$5100 to \$7000, and the Division of Oil, Gas and Mining informed you that it would accept this amount with one year of escalation, i.e. that the surety amount would need to be re-evaluated in 2010 which makes the escalation past due.

The Notice of Intention (NOI) does not specify how many acres would be disturbed. The surety amounts discussed above are conditional on **no more than one acre of disturbance**.

Please contact the bond coordinator, Penny Berry, at 801-538-5291, or by e mail at bondcoordinator@utah.gov for information about submitting the additional bond. Your current bond is in the form of a certificate of deposit held by the BLM. You may increase the amount in the certificate of deposit, or you may provide a letter of credit, a surety bond, cash, or a new CD for either the increased or the full amount.

Reclamation Contract

The Division needs to receive a new reclamation contract. A copy of the form is enclosed. It needs to be signed and notarized and returned to the Division.



Page 2 of 2
Edwin Lister
S/023/0031
June 9, 2011

Deadlines and Contact Information

Please submit the surety increase and reclamation contract no later than August 1, 2011. The Division may take enforcement action, including possible fines, if the bond is not increased by this date.

Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions about any aspect of this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB:whw:pb
ENCLOSURE: MRRC
cc: Jerrv_Mansfield@BLM.gov
P:\GROUPS\MINERALS\WP\M023-Juab\S0230031-Bullseye\final\ltr-bond-05252011.doc